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NOTICE OF INTENT TO EXPLORE

Proposed Seismic Program

for

Federal Coal Leases

U-142235, U-073120, U-147570

SKYLINE MINES

Carbon and Emery Counties, Utah

September, 1982

NOTICE OF INTENT TO EXPLORE

This application for approval of the herein proposed seismic exploration plan is hereby submitted pursuant to the Utah Department of Natural Resources, Division of Oil, Gas and Mining's regulations, specifically UMC-776, and federal regulations 30 CFR 211.10 and 30 CFR 776. The purpose of this program is to evaluate the use of seismic investigation in determining the extent of faulting in the mineable seams of coal located within federal coal leases U-0142235, U-073120 and U-0147570.

INTRODUCTION

The application covers all activities necessary for two seismic tests including drilling for placement of explosive charges, seismic tests, and subsequent reclamation. Coastal States Energy Company ("Coastal"), as operator under the Joint Venture Agreement between Coastal and Getty Mining Company, will conduct the exploration activities. The seismic investigations, as proposed, will be on lands within the Manti LaSal National Forest with one site in Carbon County, Utah and the second in Emery County, Utah.

All phase of this exploration program shall be conducted in such a manner as to protect vegetation, drainages and water quality.

SEISMIC OPERATIONS

Previous seismic testing in the exploration area provided little useful data due to the extent and nature of the geological formation(s) which did not allow the energy provided by the small explosive charges previously used to penetrate the formation. Therefore, it is proposed herein that larger explosive charges be used in order to allow the necessary penetration and response and to establish energy source parameters for future seismic programs. These parameters include: 1) optimum shot hole depth, 2) optimum shot hole spacing, and 3) optimum size of charge. This knowledge will be vital to effective seismic programs which can be used to provide accurate fault displacement and location data as well as coal seam thickness information in advance of mining.

In addition to establishing the source parameters during this seismic test, measurements will also be taken of the time required for the direct arrival of acoustic waves from the shot to geophones on the surface. This information, termed the uphole time, relates to the velocity of the near surface strata and will be utilized in the data processing and interpretation stages of future seismic surveys.

Coastal hereby proposes to drill one 200 feet deep hole at each of two locations. These holes will be drilled using air only by a Gardner Denver 1500 or equivalent sized rig. These drill sites, illustrated on Map 1, are located adjacent to existing roads and will be as near as possible to former drill sites (Drill Holes 75-14-1 and 74-10-1). Therefore, no road construction and only minimal site preparation will be necessary. The drill rig will be parked no farther than 50 feet from an existing road and off-road vehicle travel will be restricted to travel between the drill rig and the existing road.

Adjacent to each of the 200 feet deep drill holes, several 10 feet deep holes will be drilled using an auger mounted on an all-terrain vehicle (ATV). These smaller holes (3-6 in number per site) will be approximately 10 centimeters in diameter.

Each of the larger holes will be loaded with varying sized charges at different depths. The charges, ranging from 1 to 15 pounds of dynamite, will be placed from 15 to 20 feet apart (vertically) within each hole. The auger holes will be loaded with one to five pound charges.

On the surface, approximately 1,000 feet of seismic line will extend in one direction from each of the large drill holes. Traces will be spaced 25 feet apart along the line with each trace consisting of 12 geophones. The location of the seismic line placement is presented on Map 1.

The explosive charges will be shot individually with the deepest shot first. The seismic test will have little, if any, effect on the terrain and be of short duration. Total time from start to completion of the project will be approximately 15 days. The actual shooting of each hole will occur over a six to ten hour period.

SEISMIC SITE LOCATIONS

Map 1 of this application presents the location of each seismic test. These sites have been strategically positioned to minimize degradation of the test site and to provide a site conducive to seismic testing. Table 1 shows the test site number, location, lease number and primary purpose of each seismic test site.

Table 1
1982 Seismic Program

Skyline Mines

<u>Seismic Test</u>	<u>Location</u>	<u>Lease No.</u>	<u>Purpose</u>
SM-82-1	NW 1/4 NW 1/4 SE 1/4 of Sec. 14, T. 13 S., R. 6 E.	U-073120	Fault data
SM-82-2	SE 1/4 SE 1/4 of Sec. 10, T. 13 S., R. 6 E.	U-0147570	Fault data

TYPE OF EQUIPMENT

The following equipment will be used for the seismic test:

- ° 1 Drill rig (Gardner Denver 1500 or equivalent)
- ° 1 Recording truck
- ° 2 Pickups
- ° 1 Water truck (only if necessary)
- ° 1 ATV mounted auger.

Drilling will be done with air whenever possible. However, water with a slight amount of foam may be injected to assure proper return of cuttings. No drilling additives will be used that harm the environment.

RECLAMATION

After drilling and testing, the holes will be cemented, if possible, and marked with a metal tag placed in the cement surface plug. The tag will show hole number, collar elevation and total depth of hole. Topsoil will be replaced where affected during drilling operations and/or seismic testing, to an even contour with original slope. Any area used for access will be reclaimed in the same manner as the test sites.

A mixture of grass and brush seed native to the area has been selected. The drill sites and any access areas will be seeded during the fall with 13 pounds per acre of the following seed mixtures:

1. Manchar Smooth Brome
2. Ranger Alfalfa
3. Kentucky Blue Grass
4. Intermediate Wheat Grass
5. Timothy Grass

PROTECTION OF THE ENVIRONMENT

The preservation of the environment will be taken into account through all phases of the seismic program. All test sites were selected to minimize disturbance to the terrain.

Archeological surveys have been previously conducted on each proposed drill site, therefore, no additional surveys should be necessary.

In the event water (and additives, if any) are used in drilling, such water will be held in tanks (water trucks) or in portable pits. No drilling fluids will be allowed into stream drainages. All groundwater aquifers, if encountered, will be protected by cementing the drill hole in compliance with the "Rocky Mountain Area Well Abandonment Requirement".

Throughout all phases of the seismic program, the personnel in the District Ranger's office of the U.S. Forest Service will be informed of drilling and seismic testing progress.

It is Coastal's policy to reclaim all drill sites and associated roads and affected areas to the same or, possibly in some cases, better conditions than they were prior to drilling and testing.

Coastal will comply with the regulations set forth in the applicable regulations specifically UMC-815, 30 CFR 211.10, 30 CFR 776 and any stipulations which may be required by the appropriate governmental authorities.

NOTICES

All correspondence regarding this application should be directed to:

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Attention: Vice President, Resource Acquisition

with a copy to:

Utah Fuel Company
P.O. Box 719
Helper, Utah 84501
Attention: Mr. Mark Bunnell